

## DEPARTMENT OF FINANCE BILL ANALYSIS

**AMENDMENT DATE:** June 30, 2011  
**POSITION:** Oppose  
**SPONSOR:** Health Access California

**BILL NUMBER:** AB 714  
**AUTHOR:** T. Atkins  
**RELATED BILLS:** SB 900, AB 1602

### **BILL SUMMARY:** Health Care Coverage: Health Benefits Exchange

This bill would, effective January 1, 2012 through June 30, 2013, require the state to disclose information on the California Health Benefit Exchange (Exchange) to individuals who are enrolled or cease to be enrolled in certain public health care programs.

Also the bill would, effective January 1, 2013, require the state and Family Planning, Access, Care and Treatment (Family PACT) providers to provide each affected individual's name and address, clinical information, providers, and other information to the Exchange. The Exchange would use the information to determine eligibility, complete enrollment, and maximize continuity of care. Prior to beginning the determination, the individual would be contacted to accept or deny coverage. If the individual fails to respond, the Exchange would assume the non-response as a denial of coverage.

### **FISCAL SUMMARY**

This bill would result in significant costs to provide notification to individuals and for the electronic data transfer. Certain costs may be eligible for federal funding through the Exchange implementation grant process. However, federal funding is not guaranteed. If federal funding is not available, the bill could result in significant General Fund costs.

### **COMMENTS**

The Department of Finance opposes this bill because it would impose costly new requirements on state programs. Additionally, this bill may be unnecessary, as Chapter 65, Statutes of 2010 (AB 1602) provides for the operation of a toll free telephone hotline and for the maintenance of an Internet website in which prospective enrollees can obtain information about the Exchange. AB 1602 also provides for the Exchange to determine eligibility for the Medi-Cal and Healthy Families programs when screening applications for the Exchange. If the applicants are eligible for the public health programs, the Exchange would coordinate efforts with the Department of Health Care Services, the Managed Risk Medical Insurance Board, and counties to enroll applicants in the programs. The California Health Facilities Authority is authorized to provide a capital loan of up to \$5 million, to be continuously appropriated through June 30, 2016, to assist in the establishment and operation of the Exchange. It is the intent that after 2014, the Exchange will be self-supporting from fees paid by health plans and insurers.

This bill would provide current enrollees in the AIDS Drug Assistance Program, Breast and Cervical Cancer Treatment program, Breast Cancer Control program, Family PACT program, and Healthy Families program with information on the Exchange. Additionally, individuals who are no longer enrolled in the Access for Infants and Mothers program, California Major Risk Medical Insurance program, Federal Temporary High Risk Pool, or in full scope Medi-Cal would be provided with information on the Exchange as well.

Chapter 659, Statutes of 2010 (SB 900), established the Exchange as an independent public entity within state government to be governed by a five-member board. SB 900 required the Director of the Department of Managed Health Care and the Insurance Commissioner to review an Internet portal developed by the

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Department Deputy Director	Date

Governor's Office:	By:	Date:	Position Approved _____
			Position Disapproved _____

BILL ANALYSIS	Form DF-43 (Rev 03/95 Buff)
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**BILL ANALYSIS/ENROLLED BILL REPORT--(CONTINUED)****Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

T. Atkins

June 30, 2011

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federal government. If the director and commissioner deem the portal to be inadequate for the needs of the Exchange, they can develop an independent portal or work with the federal government on enhancements to their portal prior to the January 1, 2015 federal deadline.

Code/Department Agency or Revenue Type	SO	(Fiscal Impact by Fiscal Year)							
	LA	(Dollars in Thousands)							
	CO	PROP							Fund
	RV	98	FC	2011-2012	FC	2012-2013	FC	2013-2014	Code
4260/Hlth Care	SO	No	-----	See Fiscal Summary	-----				0001
4260/Hlth Care	LA	No	-----	See Fiscal Summary	-----				0001
4265/PublicHealth	SO	No	-----	See Fiscal Summary	-----				0001
4265/PublicHealth	LA	No	-----	See Fiscal Summary	-----				0001
4280/Managed Risk	SO	No	-----	See Fiscal Summary	-----				0001
4280/Managed Risk	LA	No	-----	See Fiscal Summary	-----				0001